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**FISCAL IMPACT STATEMENT**

**LS 6826**

**BILL NUMBER:** SB 503

**NOTE PREPARED:** Jan 11, 2009

**BILL AMENDED:**

**SUBJECT:** Intrastate Taxicabs.

**FIRST AUTHOR:** Sen. Stutzman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill expands the definition of taxicab for purposes of: (1) refunds for gasoline tax paid on gasoline used for the operation of taxicabs; and (2) exemption from the special fuel tax. It expands the definition of taxicab for purposes of: (1) exception from regulation as a common carrier for the transportation of passengers for compensation; and (2) compliance with certain federal regulations concerning motor carriers of persons.

The bill requires a minimum amount of financial responsibility of \$1,000,000 to be carried on certain motor vehicles being used as taxicabs. It authorizes certain units of government to regulate certain motor vehicles being used as taxicabs.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** Expanding the definition of taxicabs for refund and exemption purposes will mean a loss of motor fuel tax revenue which is deposited into the Motor Vehicle Highway Account, the state Highway Fund (INDOT), the State Highway Road Construction and Improvement Fund, the Primary Highway System Account (INDOT), and the Local Road and Street Account. In CY 2008, taxicabs filed for refunds on approximately 378,856 gallons of gasoline, totaling \$68,212. Additional vehicles potentially classified as taxicabs will increase the amount of gasoline tax refunds.

In FY 2008, special fuel tax refunds for taxicabs amounted to \$16.32 for 102 gallons of special fuel. The funds affected are the Motor Vehicle Highway Account, the State Highway Fund, and the Local Road and

Street Account. Exempting taxicabs from the special fuel tax also will mean a reduction of revenues. Specific data on the amount of special fuel tax paid by taxicabs is not available. (See above for funds affected.)

Expanding the definition of taxicab for exception from regulation as a common carrier will mean a reduction in revenue from the annual fee of \$50 (reinstatement of common or contract intrastate authority). The specific impact will depend upon the number of such taxicabs. The fund affected is the Motor Carrier Regulation Fund.

**Explanation of Local Expenditures:** Expanding and authorizing local units of government to regulate certain motor vehicles being used as taxicabs likely will increase local expenditures to the regulating unit. Local units currently are allowed to regulate services offered by persons who hold out for public hire use of vehicles. The specific impact is indeterminable and will depend upon the implementation of the regulation.

**Explanation of Local Revenues:** Revenues could change depending upon any fee structure created in the regulation of the taxicabs and changes in local distributions of gasoline and special fuel taxes.

**State Agencies Affected:** State Department of Revenue; State Police; Bureau of Motor Vehicles; Department of Transportation as recipients of Motor Vehicle Highway Account distributions; State Department of Revenue as administrator the motor fuel tax and the special fuel tax.

**Local Agencies Affected:** Those units which undertake taxicab regulation and receive motor fuel tax and the special fuel tax distributions.

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.